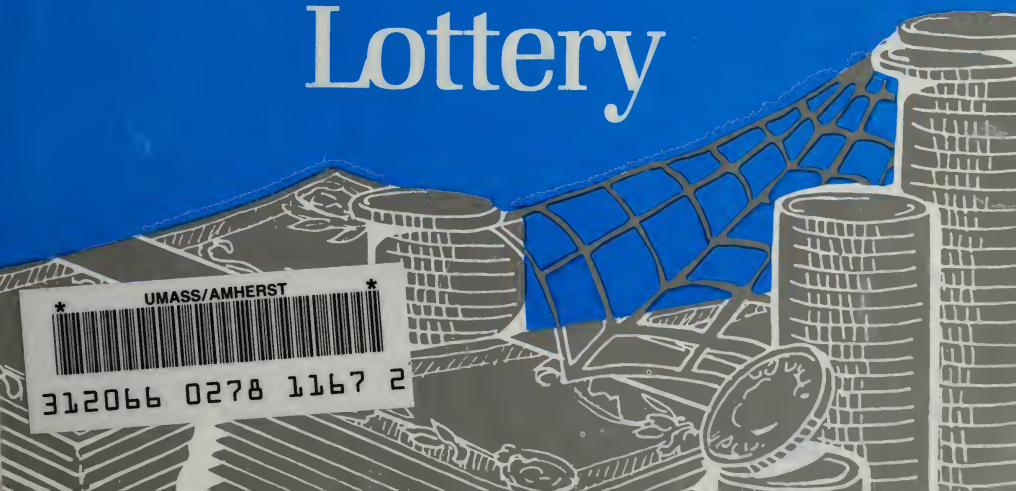


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Questions most frequently asked of State Treasurer Robert Q. Crane's office on The Lottery



Questions & Answers

Q. WHAT HAPPENS TO THE MONEY WHICH THE LOTTERY MAKES? WHY NOT PAY OUT MORE IN PRIZES?

A. The legislation governing the Lottery requires that: a minimum of 45% (of every sales dollar) must be paid out in prizes. However, the policy has been to pay more than 45% for all the games to provide more prizes for the players. Current operating expenses run about 4%. Sales agents who sell the tickets receive a 5% commission and 1% bonus on prizes. The balance or approximately 35% is for distribution to the 351 cities and towns of the Commonwealth.

Q. WHO DECIDES HOW MUCH EACH CITY/TOWN RECEIVES?

A. The Lottery's only responsibility is to generate revenue. The Department of Revenue is responsible for the disbursement of the revenue. The amount of money received by each city or town is dependent on a formula which takes into consideration the city/town's population. The money is distributed on the basis of the formula semi-annually.

Cities/towns may use their share of the revenue as they see fit. There is no stipulation in the legislation which requires that it be used for any specific designation, e.g. property taxes, education, etc.

Q. WHAT CONNECTION DOES THE LOTTERY HAVE WITH BEANO GAMES?

A. The administration and supervision of Beano Games became the Lottery's responsibility in 1973. There are approximately 900 organizations which sponsor games. Sponsoring organizations are made up of non-profit, religious, charitable and fraternal organizations.

Q. HOW IS A CLAIM FILED ON A WINNING NUMBER AND HOW LONG MUST ONE WAIT TO COLLECT?

A. On-line agents may pay prizes up to and including \$600 on *The Numbers Game* and \$400 on the *Megabucks Game* as soon as the winning number has been drawn and payoffs calculated. Prizes over \$600 can be collected the following day (Monday through Friday) by filing a claim at any of the Lottery offices in Braintree, Boston, West Springfield, Woburn and Worcester.

Prizes up to and including \$500 for the *Weekly Game* and the *Instant Games* may be paid directly by the agent. Prizes over that amount require the winner to file a claim and a check will be issued.

Q. ARE TAXES WITHHELD FROM THE PRIZE?

A. Both Federal and Massachusetts State taxes are withheld from all prizes over \$5,000.

Q. WHAT HAPPENS IF A WINNER DIES BEFORE COLLECTING THE FULL PRIZE OF \$100,000 TO \$1,000,000 OR MORE?

A. If a winner who is collecting a prize on the basis of annual payments should die before collecting the full prize, the balance of the payments due will be paid to the winner's heirs or estate.

Q. CAN TICKETS BE MADE OUT IN MORE THAN ONE NAME?

A. Prize checks are made out in the name of a single winner only.

Q. CAN NON-RESIDENTS PURCHASE A SEASON TICKET SUBSCRIPTION? IF SO, HOW DO THEY COLLECT?

A. Yes, Season Tickets can be purchased at sales agent locations in Massachusetts by non-residents. The ticket can be registered in the subscriber's name by completing and returning the registration form to the Lottery. All prize checks are automatically mailed to the subscriber.

Q. WHAT ARE THE MINIMUM AND MAXIMUM MEGABUCKS JACKPOT PRIZES THAT CAN BE WON AND HOW IS THE PRIZE PAID?

A.

- minimum jackpot is \$400,000.
- the jackpot will continue to build each week until it is won—it has gone as high as \$21 million.
- fifty percent of the Megabucks Sales Revenue is allotted to the prize pool.

Prizes of \$40 and \$400 are paid first, the amount remaining in the pool is used to purchase an annuity policy to guarantee payment of the annual installments.

Example:

Total Sales Revenues (Gross Pool)	\$5,000,000
Net Pool (Gross Pool less 50% for Revenue to cities/towns plus operating costs)	\$2,500,000
Less 16,727 average number of \$40 winners . . .	669,080
Less 462 average number of \$400 winners . . .	184,800
	\$1,646,120*

* This amount in total would purchase an annuity for \$3,704,387 to be paid to winner(s) over twenty years. Jackpots are based on this formula.

For additional
information, call
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